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Consumer Affairs  
Agencies:

Division of Banks

Division of Insurance

Division of Professional  
Licensure

Department of  
Telecommunications and  
Cable

Division of Standards

State Racing Commission

[www.mass.gov/consumer](http://www.mass.gov/consumer)

# THE CONSUMER INSIDER

## News from the Director

The Patrick Administration and the Office of Consumer Affairs and Business Regulation (OCABR) are working hard to protect Massachusetts residents against the threat of identity theft and educate them about the need to protect their personal information.

The Massachusetts Security Breaches Law, signed last year, improved the ability of consumers to protect their credit through the use of security freezes. The statute also regulates storage and disposal of personal information, and requires reporting of security breaches that could result in identity theft.

In September, OCABR issued regulations for ensuring that the personal information

of Massachusetts residents is properly protected by businesses and others. They established **standards** that require companies to take practical steps to safeguard their customers' personal information, including encryption when handling data electronically.

To educate businesses about the new requirements, OCABR will meet with local chambers of commerce throughout the fall. We are also encouraging consumers to become aware of the options that are available if personal information is misused and to take measures that can reduce the risk of identity theft. The articles in this edition of the Consumer Insider will provide the resources to help you protect your identity.



*David C. Carr*

## October is National Cyber Security Awareness Month

Each October the National Cyber Security Division of the Department of Homeland Security joins with other partners to recognize and support National Cyber Security Awareness Month—a national campaign focused on raising cyber security awareness promoting a safe Internet experience.

The Office of Consumer Affairs and Business Regulation encourages consumers to protect themselves before connecting to the Internet by taking the following steps:

- Use a **firewall**.
- Turn on automatic updates.
- Keep your anti-virus and anti-spyware software up-to-date.

- Never open an attachment from an unknown source without first scanning it for viruses.
- Do not click on links in an email unless you are sure that you will end up at a legitimate web site.
- Do not post personal information online.
- Keep your passwords safe and change them regularly. Never share your passwords with anyone or send them via email.

Taking these precautions can help prevent criminals and identity thieves from accessing your personal information and minimize your exposure to risk.

For more information about online safety, visit: the Federal Trade Commission at [www.onguardonline.com](http://www.onguardonline.com).

**Consumer Hotline: 888-283-3757 or 617-973-8787**

## Patrick Administration Issues Comprehensive Identity Theft Regulations and Executive Order

In keeping with the Patrick Administration's commitment to protect consumers, the Office of Consumer Affairs and Business Regulation (OCABR) issued final regulations establishing standards for storing and protecting consumers' personal information on September 22.

Since the Governor signed the identity theft prevention law last August, OCABR received

reports of nearly 320 incidents that have compromised or threatened to compromise the personal information of 625,365 MA residents. Approximately 75% of the reported incidents involved data that was not encrypted or password protected.

The new regulations call on businesses to encrypt documents sent over the

Internet, saved on laptops or flash drives; encrypt wirelessly transmitted data; and to utilize up-to-date firewall protection that creates an electronic



gatekeeper between the data and the outside world and only permits authorized users to access or transmit data. Instituting these procedures will serve to protect not only the consumer but also the company from sustaining financial

loss or damage to its reputation.

The regulations will take effect on January 1, 2009. Prior to implementation, companies will be required to conduct internal and external security reviews and complete employee training.

To review the report released by OCABR please visit [www.mass.gov/oca](http://www.mass.gov/oca).

## Identity Theft Protection Plans and Services

Some companies offer credit monitoring, identity recovery, and identity theft insurance for a price. Before you sign up for an identity theft protection plan, there are some questions you need to ask:

- Is the company you are dealing with legitimate? Some offers of identity theft protection are actually attempts to steal your identity.
- What does their protection plan cover?
- What kind of support do they offer?
- If there is a problem, how are they going to help?
- What are the fees or costs associated with the protection plan?
- Is this service available through your existing homeowner or auto insurance policy?

Whether you opt for an identity theft protection plan or not, one key thing to remember is that there is no such thing as 100% protection from identity theft, no matter what you do. You can minimize the risk and protect yourself by:

- Shredding personal documents before discarding them,
- Changing your passwords and PINs regularly,
- Monitoring bills and credit card activity carefully each month, and
- Reviewing your credit report annually for questionable activity.

## OCA In the News

**September 24<sup>th</sup>** The Division of Banks issued four cease and desist orders against licensed mortgage lenders and brokers due to violations of the Massachusetts' reverse mortgage statute. The law prohibits a lender from making a reverse mortgage (loans for seniors to convert the equity in their home to income) without an approved plan that includes mandatory counseling. \*\*\*\* **September 22<sup>nd</sup>** The

Office of Consumer Affairs & Business Regulation (OCABR) released a report that summarized data security breaches that occurred during the past year. The report shows ongoing risks for consumers and the need for business to improve security standards. OCABR also issued regulations that outline how businesses should meet these standards. Consumers can view the report, regulations and related materials on our website at [www.mass.gov/oca](http://www.mass.gov/oca).

\*\*\*\* **September 18<sup>th</sup>** In response to the financial issues facing AIG, Division of Insurance Commissioner Nonnie S. Burnes issued the following statement: "The insurance company subsidiaries of AIG are solvent and able to pay their obligations. At this time, these companies are able to pay claims as presented to them." Commissioner Burnes assured consumers in the unlikely event that AIG or other insurers fail, policy holders are protected by the state guaranty fund.

\*\*\*\* **September 8<sup>th</sup>** The Western MA Foreclosure Prevention Center, one of 11 regional centers funded by a \$2 million state grant, opened its doors to Massachusetts residents seeking legal assistance and foreclosure prevention counseling. The regional centers serve as a centerpiece to the state's new landmark foreclosure prevention law, Chapter 206, An Act Protecting and Preserving Home Ownership.

### Fall Foreclosure Prevention Workshops

Revere – October 18

MetroWest – November 8

Please go to [www.mass.gov/foreclosure](http://www.mass.gov/foreclosure) for more details.